



POLICY

VENDOR MANAGEMENT

AEV-PAM-001

Revision 00

COMMUNICATION PLAN	
Target Date of Cascade	Click here to enter a date. <input type="checkbox"/> Others: _____
Method of Cascade	<input type="checkbox"/> E-mail <input type="checkbox"/> SPOC Meeting <input type="checkbox"/> Training
Target Participants	

REVISION DETAILS			
Page No.	Revision No.	Description of Previous and Current Revision	Effective Date
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Role	Name	Position	Date
Prepared by			
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Approved by			

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1. PURPOSE

Ensure that the accredited vendors are qualified and managed according to the set standards. Mitigate business risks relating to continuity of supply by maintaining a reliable pool of vendors.

2. SCOPE

This policy applies to AEV and AEV-managed companies.

3. RESPONSIBILITY

The Controller is accountable for ensuring the effective implementation of this document.

The Accounting Head is responsible for the periodic review and timely update of this document.

The CSU Head is responsible for ensuring that this policy is complied with by their respective units.

4. POLICY

4.1. Vendor Accreditation

4.1.1. Vendor shall comply with the applicable requirements, such as, but not limited to:

- 4.1.1.1. Vendor Code of Conduct
- 4.1.1.2. Partners Due Diligence

4.1.2. Accreditation shall be required for all PO and non-PO transactions except for the following case in point:

- 4.1.2.1. Professional Services (belonging to Top 100 companies, ie market research or SEC disclosures)
- 4.1.2.2. Passed the accreditation of other BUs / Partner of Aboitiz / Micro Small and Medium Enterprises for Enterprise Development Programs
- 4.1.2.3. Professional Fees (including legal, construction and marketing fees, as deemed exceptional)
- 4.1.2.4. Subscription to journals and advertisements (newspaper ad, radio/tv ads, social media)
- 4.1.2.5. Fees (ie Association, Club Membership, Fringe Benefits)
- 4.1.2.6. Gift Checks and other similar items
- 4.1.2.7. Online transactions (for items not available in local stores)
- 4.1.2.8. Freight, airfreight, logistics and other transfers not related to Operations
- 4.1.2.9. Utilities (ie electricity, water, internet, communications, cable fees)
- 4.1.2.10. Representation expense (meals, public relations, flowers)
- 4.1.2.11. Government-related transactions (taxes, car registration and renewal for

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company vehicles, licenses and other government remittances)

4.1.2.12. Land acquisition payments to landowners and other related expenses

4.1.2.13. Petty cash and revolving fund transactions

4.1.2.14. Bank-related transactions

4.1.2.15. Sponsorships/donations

4.1.2.16. Purchase of goods through request for payment (up to P 50K only), provided that it is budgeted and with manager’s approval

4.1.3. Prior vendor selection, request for quotation or its equivalent, is required for at least 3 vendors (if applicable).

4.1.4. The vendor shall comply with the documentary requirements (***Refer to Vendor Accreditation Form***).

4.2. Vendor Evaluation

4.2.1. The CSU shall evaluate the accredited vendor’s performance on the provided goods and/or services using the Vendor Evaluation Form. Performance is evaluated based on the period of the engagement or depending on the Third Party-related Risks.

4.2.2. Include the result of the Vendor Evaluation in payable requirements, as an attachment to the invoice.

4.3. Vendor Onboarding

4.3.1. All vendors, PO and non-PO, shall be enrolled in the Financial System and integrated to other accounting systems after the completion of accreditation and passing the vendor evaluation.

4.3.2. The CSU is responsible to ensure an up-to-date vendor-related information.

4.4. Vendor Maintenance

4.4.1. The Company seeks to maintain vendors that aids to support the strategic plan based on business needs and required capabilities.

4.4.2. Periodic reviews may be conducted to ensure the efficiency of the performance of the vendors as to timeliness, quality of goods/services, compliance to requirements and price competitiveness.

4.5. Vendor Termination

4.5.1. The Accounts Payable System Administrator shall ensure that only active PO and non-PO vendors, are maintained in the Oracle Fusion. This shall be done on an annual basis for deactivation of inactive vendors.

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- 4.5.2. Activation or Reactivation shall go through a process of accreditation.
- 4.5.3. Vendors without transactions for the last 2 years shall be automatically be deactivated unless otherwise requested/recommended by CSU to keep it active.
- 4.5.4. Vendors shall be deactivated based on performance evaluation for cases, such as, but not limited to:
 - 4.5.4.1. Blacklisted from other BU
 - 4.5.4.2. Non performance
 - 4.5.4.3. Unethical acts/practices
 - 4.5.4.4. Security Breach (partners due diligence)
 - 4.5.4.5. ESG violation (supplier code of conduct)

5. REFERENCES

ISO 9001:2015 4.4.2 QMS and its processes

6. DEFINITION

Vendor - also known as a supplier, is a third-party individual or company that sells goods or services to someone else in the economic production chain.